

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK - BROOKLYN DIVISION

In re

DAVID CAMEO,

Debtor.

AMAZON.COM SERVICES LLC,

Plaintiff,

v.

DAVID CAMEO, an individual,

Defendant.

Chapter 7

Case No. 21-41803-JMM

Adversary No. 21-01180-JMM

DECLARATION OF JOHN
RUTLEDGE IN SUPPORT OF
PLAINTIFF AMAZON.COM
SERVICES LLC's MOTION FOR
SUMMARY JUDGMENT

I, John Rutledge, declare as follows:

1. I am a Risk Manager at Amazon.com Services LLC ("**Amazon**"). I make this declaration based on my personal knowledge and experience with third-party sellers selling products on Amazon.com, as well as Amazon's business records and practices with regard to third-party sellers, including Jersey Cameras 2, Inc. ("**Jersey Cameras 2**").

2. I make this declaration based on my personal knowledge acquired in the course of my duties with Amazon through personal observation, discussions with appropriate personnel, and my review of records Amazon creates and maintains in the ordinary course of its business, including Amazon's business records relating to Jersey Cameras 2. I am competent to testify as to the matters stated herein.

3. I am familiar with Amazon's record-keeping practices. The business records submitted with this declaration are all records (a) made at or near the time of the events and acts recorded, by individuals with personal knowledge of the events and acts, (b) were created

or collected as part of Amazon's regular practices, and (c) were kept by Amazon in the course of its regularly conducted business activities.

4. Customers shopping in Amazon's online store can purchase a wide variety of products either from Amazon itself from its own inventory or from third parties selling directly on the Amazon.com online store. Amazon's goal is to be Earth's most customer-centric store for these customers. Earning and keeping customer trust—the guiding star of Amazon's business—is of critical importance. To protect customer trust in the products sold in Amazon's online store, Amazon articulates clear rules for third-party selling partners.

5. Amazon manages relationships with sellers through an online portal called Seller Central. Each third-party seller must set up an account through Seller Central, which includes the process by which sellers seeking to do business on the Amazon.com online store enter into and accept the Amazon Business Solutions Agreement (“**BSA**”) and other agreements.

6. The BSA provides the overall terms for dealings between third-party sellers and Amazon. The BSA specifically references and incorporates additional Amazon selling policies (“**Amazon Program Policies**”) with which third-party sellers must comply.

7. The BSA makes it clear that third-party seller accounts registered with Amazon may not be assigned without prior consent from Amazon. This requirement, among other things, ensures Amazon knows with whom it is doing business and avoids known bad actors from using an Amazon seller account to conduct illegal activity and harm customers and Amazon. The transfer of pre-registered Amazon seller accounts allows individuals to bypass and manipulate Amazon's registration and verification safeguards, and allows bad-actors to obtain and use Amazon seller accounts to commit fraud or other illegal activity.

8. According to Amazon's records, on September 11, 2015, Jersey Cameras 2, Inc.'s SUPER-SAVINGS Amazon seller account was registered. Attached as **Exhibit 1** is a redacted account record reflecting that registration. Amazon's encrypted seller identification number for the SUPER-SAVINGS seller account is A3I7TPE88NY4N2. David Cameo is the only contact and user listed for the SUPER-SAVINGS seller account.

9. According to Amazon's records, on July 31, 2018, Jersey Cameras 2, Inc.'s Lightning Savings Amazon seller account was registered. Attached as **Exhibit 2** is a redacted account record reflecting that registration. Amazon's encrypted seller identification number for the Lightning Savings seller account is AX35PCGW2BWD7. David Cameo is the only contact and user listed for the Lightning Savings seller account.

10. Jersey Cameras 2 agreed to the BSA when it registered and continued operating the SUPER-SAVINGS and the Lightning Savings Amazon seller accounts. The version of the BSA in effect on July 31, 2018, is attached as **Exhibit 3**.

11. Through continued use of the Amazon seller portal, sellers agree to updated versions of the BSA. Based on my review of Amazon's business records, it appears Jersey Cameras 2 last utilized the Amazon seller's portal in December 2018. The version of the BSA in effect at that time is attached as Exhibit 3.

12. The BSA also incorporates Amazon Program Policies, including its "Selling Policies and Seller Code of Conduct" policy. Attached as **Exhibit 4** is a true and correct copy of the Seller Code of Conduct.

13. To further protect customer trust in the products sold in Amazon's online store, Amazon guarantees every purchase customers make from third-party sellers through its A-to-Z Guarantee Program. If a customer received an order that is different than expected or if a

customer does not receive an order three days after the latest estimated delivery date, and the seller does not respond to refund the item, Amazon will review the buyer's claim and issue a refund. Thus, A-to-z claims reflect refunds Amazon provides directly to customers who were unhappy with the seller's product or delivery, and where that seller failed to timely provide those customers with a refund. Amazon will deduct the refund from the seller's account balance if funds are available, or pay out-of-pocket refunds to customers, if it determines the seller was at fault, in accordance with the BSA. Attached as **Exhibit 5** is a true and correct copy of Amazon's A-to-Z Guarantee Program policy that it offers to all Amazon customers for products sold in Amazon's online store by third-party sellers.

14. Amazon terminated the SUPER-SAVINGS and Lightning Savings seller accounts on December 14, 2018, after uncovering these accounts were used to engage in "hit-and-run" fraud, which is a type of abusive selling pattern where sellers accept money from customers, fail to fulfill customer orders, and then disappear with customers' money, leaving them empty handed and without recourse from the seller. A drastic increase in a seller's sales is indicative of hit-and-run-fraud because the seller engaging in hit-and-run fraud is trying to make as much money as possible, in the shortest amount of time, through fraudulent sales in Amazon's online store.

15. Between October 2018 and December 2018, the SUPER-SAVINGS seller account generated significant customer feedback for "item not received" and "materially different," and several customers complained about their purchases from Jersey Cameras 2. Attached as **Exhibit 6** is a true and correct copy of spreadsheet bates numbered Amazon_Cameo_000227, containing customer complaints within Column K submitted in connection with the SUPER-SAVINGS seller account. Attached as **Exhibit 7** is a true and

correct copy of spreadsheet bates numbered Amazon_Cameo_000226, containing customer complaints within Column K submitted in connection with the Lightning Savings seller account. Attached as **Exhibit 8** is a true and correct copy of a spreadsheet bates numbered as Amazon_Cameo_000220, containing additional customer complaints within Column T submitted in connection with the SUPER-SAVINGS seller account.

16. Attached as **Exhibit 9** is a true and correct copy of a spreadsheet bates numbered AMZN000351, containing correspondence between Amazon and Jersey Cameras 2 and correspondence from customers through the SUPER-SAVINGS seller account.

17. Attached as **Exhibit 10** is a true and correct copy of a spreadsheet bates numbered AMZN000352, containing correspondence between Amazon and Jersey Cameras 2 and correspondence from customers through Lightning Savings seller account.

18. After Amazon terminated Jersey Cameras 2's seller accounts on December 14, 2018, to stop the fraud consistent with the BSA, Jersey Cameras 2 submitted to Amazon a request to reinstate the SUPER-SAVINGS and Lightning Savings seller accounts. Jersey Cameras 2's request for reinstatement failed to address the issues surrounding the hit-and-run fraud, by, for example, failing to provide proof of fulfillment of customers' orders. Jersey Cameras 2 also did not propose to refund any customers who did not receive the goods purchased.

19. Attached as **Exhibit 11** is a true and correct copy of a spreadsheet bates numbered AMZN000470, which is a report of all product sales made through the SUPER-SAVINGS seller account.

20. Attached as **Exhibit 12** is a true and correct copy of a spreadsheet produced by Amazon, bates numbered AMZN000471, which is a report of all product sales made through the Lightning Savings seller account.

21. In accordance with the A-to-z Guarantee Program and the BSA, and to prevent further harm to Amazon's customers and Amazon's reputation, Amazon refunded customers who purchased items from Jersey Cameras 2 and submitted A-to-z claims. The total amount of refunds Amazon paid to customers of Jersey Cameras 2 through the SUPER-SAVINGS and Lightning Savings seller accounts is \$2,183,162.40. These payments are reflected in the spreadsheet attached as **Exhibit 13**, which is a true and correct copy of a spreadsheet bates numbered as Amazon_Cameo_000225, reflecting the financial transactions for the SUPER-SAVINGS and Lightning Savings seller accounts. Line 65 of that spreadsheet shows a ledger adjustment done in June 2019, where Amazon wrote off the debt for its accounting purposes, and Line 2 reflects the balance of additional accumulated refunds Amazon paid to Jersey Cameras 2's customers following the June 2019 ledger adjustment. Exhibit 13 also reflects disbursements made to Jersey Cameras 2 on the SUPER-SAVINGS and Lightning Savings seller accounts. Amazon has not been reimbursed for any portion of the customer refunds Amazon paid directly to Jersey Cameras 2's customers.

I declare under penalty of perjury under the laws of the United States of America
that the foregoing is true and correct.

Executed this 1st day of November, 2023 in Ballston Lake, New York.

John R Rutledge

John Rutledge